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Can social entrepreneurs be the cure for sequestration?

Kevin Owyang, Special to Upstart Business Journal

The UpTake: Sequestration cuts have impacted education, housing and other services for under-served communities, but guess who's stepping in to do what the government isn't doing? Social entrepreneurs, says B Jibe founder Kevin Owyang.

While politicians dance around the impact of sequestration cuts on education, housing, and other services for under-served communities, social entrepreneurs are stepping in with innovative ideas to create jobs and in some cases, even help homeless people become entrepreneurs.

Among those leading the charge is veteran entrepreneur [Gifford Pinchot \(/search/results?q=Gifford Pinchot\)](#), co-founder and president of [Bainbridge Graduate Institute \(http://www.bgi.edu/\)](#) which is top-ranked for its MBA program in social entrepreneurship, and which has opened the Center for Inclusive Entrepreneurship (CIE) to provide education and coaching to those who have the drive, but need help getting into the workforce such as immigrants, members of Native American tribes, people who got out of prison and single moms who are struggling to get by.

“By making opportunities for them, [companies can then] hire more people,” he says. “We’re having a major impact in communities that really need it.”

In addition to tackling the “[people component](#)” of [social responsibility \(http://upstart.bizjournals.com/resources/author/2013/03/07/dennis-bakke-talks-the-decision-maker.html\)](#), Pinchot sees CIE as an educational opportunity for Bainbridge students to mentor and get a better understanding of poverty.

Pinchot is a classic serial entrepreneur, a founder of multiple startups with 200 inventions and several books to his credit. He coined the term “intrapreneuring” to describe entrepreneurial innovation inside established organizations and wrote the bestselling book, *Intrapreneuring: Why You Don’t Have to Leave the Corporation to Become an Entrepreneur*, and boasts a roster of Fortune 500 clients and a commitment to business initiatives that give back and turn a profit.

“The difference between zero and an outrageous venture return can be the result of doing the right thing,” he says.

That philosophy helped him generate returns of 100 to 1 for early investors in the software company he chaired, Consensus Development. Pinchot discovered great employees enjoy working for companies that buy green energy, as Consensus did. But asked if he did so purely as a retention policy, he explains it was the opposite. “If it was going to cost us 10 percent more to buy green power, we could shoulder that because our people had the talent. We did it because we were good enough,” he says.

It’s all part of Pinchot’s idea to re-imagine the framework for capitalism.

“We have to change the idea that when you’re in business you should think only about profit—and that when you’re at home you can be a good Christian or a good Muslim, or whatever you are, but you don’t have any of that at work,” he says. “When my great-grandkids look back and say ‘your generation left us quite a mess’, I want to be able to say ‘well, actually, I tried. I made a difference, I was moving us in the right direction the best I could.’”

[Will Poole \(/search/results?q=Will Poole\)](#), a trustee of Bainbridge and co-founder of [Unitus Seed Fund \(http://usf.vc/\)](#), a venture fund that invests in social entrepreneurs creating opportunity for low-income populations, says that one of the keys to the work it does is the mentoring aspect, which helps those in need, and the coaches alike.

Poole organized scores of mentors to help social entrepreneurs and intrapreneurs compete for \$238,000 in funding from SVP Fast Pitch Seattle (formerly known as Social Innovation Fast Pitch). The pitch event gained a shoutout from [Microsoft \(http://www.bizjournals.com/profiles/company/us/wa/redmond/microsoft_corporation/1087001\)](#) (Nasdaq: MSFT) chairman [Bill Gates \(/search/results?q=Bill Gates\)](#), who highlighted the American Idol style event for complementing his organization’s efforts to fill gaps where the marketplace fails to innovate and government fails to fund.

Entrepreneurs by nature want to help others succeed. A Bainbridge grad [Rachel Maxwell \(/search/results?q=Rachel Maxwell\)](#), chief executive officer of Community Sourced Capital, a social startup that helps small businesses crowdsource funding, mentored intrapreneurs from Union Gospel Mission (UGM), an organization that has provided services to homeless people for over 80 years. The mission wanted to upgrade donated wood, clothing, and other items into higher-value goods and Maxwell helped them “develop a revenue-generating business concept that provides UGM clients a number of paths to the workplace.”

Other UGM clients have become social entrepreneurs themselves. On the streets for 13 years, [Scott “Scooter” Sowle \(/search/results?q=Scott “Scooter” Sowle\)](#) learned organizations like UGM lacked footwear for those in need. “I knew if I couldn’t get a pair of shoes, I couldn’t get a job,” says Sowle. So he started **Redeeming Soles** to reclaim and distribute footwear.

He built a company board that included a professor of entrepreneurship at [Eastern Washington University \(http://www.bizjournals.com/profiles/company/us/wa/cheney/eastern_washington_university/3310762\)](#), a manager from Skechers, and the former managing editor of Footwear Plus. Today, Redeeming Soles distributes about 2,000 shoes per month, many sourced from manufacturers like [Brooks Sports \(http://www.bizjournals.com/profiles/company/us/wa/bothell/brooks_sports_inc/1153667\)](#) in the Puget Sound area of Seattle.

“For the average homeless person, 20 percent of their medical visits are for foot-related problems,” says Sowle, “[so] hopefully we’re able to put a dent in medical costs for them too.”

That can make a difference to people reliant on food banks and housing assistance, especially if those programs are cut due to sequestration.

[Kevin Owyang \(/search/results?q=Kevin Owyang\)](#) is founder of **B Jibe (http://news.bjibe.com/)**, which reports on people and companies that give back. **B Jibe** is the producer of **History Is Undivided Yearning**, a short documentary highlighting social entrepreneurs and their role in transforming diverse communities into resilient ones.

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